

(1) Annual Selection of Taxpayers Required to Use EFT.

(a) At least 90 days prior to the date of the first required payment, the Department will mail a written notice to all taxpayers selected in the annual review of transactions informing them that they are required to make payments for a tax type using EFT. The notice will be mailed to the last address of record for the taxpayer. The Department will provide the taxpayer with an explanation of Act No. 91-570; will identify the tax types to be paid using EFT; will provide an explanation of the payment alternatives available to the taxpayer; and will provide the taxpayer with Form EFT 001, Electronic Funds Transfer Authorization Agreement.

(b) Within 30 days the taxpayer will be required to return a properly and fully completed Form EFT 001 to the Department for each tax type the taxpayer was selected to pay using EFT. The taxpayer will use the form to make an election as to which payment method the taxpayer will use, or will provide a written statement explaining the reason the taxpayer should be exempted from the requirement to make payments for a tax type using EFT. A taxpayer who elects to use the ACH Credit payment method in lieu of the ACH Debit payment method must file a written request with Form EFT 001 to use the ACH Credit method. The request must state the reason for requesting the ACH Credit payment method.

(c) Based on the payment method elected by the taxpayer, detailed instructions explaining the payment procedures will be provided to the taxpayer within 30 days.

(d) If the Department receives no response from the taxpayer within 30 days, the Department will provide the taxpayer with a second notice, utilizing certified mail. No response on the part of the taxpayer will subject the taxpayer to all applicable penalties, interest and loss of applicable discount, upon the taxpayer making a payment equal to or in excess of the threshold amount for that period.

(e) Upon a showing by the taxpayer to the satisfaction of the Department that the taxpayer will not be making payments for a tax type equal to or in excess of the threshold amount for the period, the department shall waive the requirement to make payments for the tax type by EFT. If the taxpayer subsequently makes a non-EFT payment, in an amount equal to or in excess of the threshold amount for the period the taxpayer was previously selected to make payments using EFT, for the tax type for which the taxpayer was previously selected to make payments using EFT, the taxpayer may be subject to all applicable penalties, interest, and loss of discounts.

(2) Interim Selection of Taxpayers Required to Use EFT.

(a) Where the taxpayer was not previously selected as being required to make payments for a tax type using EFT, and the interim selection process identifies the taxpayer as having made a payment in an amount which equals or exceeds the threshold amount, the Department will mail a written notice to the taxpayer informing the taxpayer that he is required to make payments for a tax type using EFT. The notice will be mailed to the last address of record for the taxpayer. The Department will provide the taxpayer with an explanation of Act No. 91-570, will identify the tax types to be paid using EFT, will provide an explanation of the payment alternatives available to the taxpayer, and will

provide the taxpayer with Form EFT 001, Electronic Funds Transfer Authorization Agreement.

(b) Within 30 days the taxpayer will be required to return a properly and fully completed Form EFT 001 to the Department for each tax type the taxpayer was selected to pay using EFT. The taxpayer will use the form to make an election as to which payment method the taxpayer will use, or will provide a written statement explaining the reason the taxpayer should be exempted from the requirement to make payments for a tax type using EFT. A taxpayer who elects to use the ACH Credit payment method in lieu of the ACH Debit payment method must submit a written request with Form EFT 001 to use the ACH Credit method. The request must state the business reason for requesting the ACH Credit payment method.

(c) Based on the payment method elected by the taxpayer, detailed instructions explaining the payment procedures will be provided to the taxpayer within 30 days.

(d) If the Department receives no response from the taxpayer within 30 days, the Department will provide the taxpayer with a second notice, utilizing certified mail. No response on the part of the taxpayer will subject the taxpayer to all applicable penalties, interest and loss of applicable discount, upon the taxpayer making a payment for the tax type equal to or in excess of the threshold amount for that period.

(e) Upon a showing by the taxpayer to the satisfaction of the Department that the taxpayer will not be making payments for a tax type equal to or in excess of the threshold amount for the period, the department shall waive the requirement to make payments for the tax type by EFT. If the taxpayer subsequently makes a non-EFT payment, in an amount equal to or in excess of the threshold amount for the period the taxpayer was previously selected to make payments using EFT, for the tax type for which the taxpayer was previously selected to make payments using EFT, the taxpayer may be subject to all applicable penalties, interest, and loss of discounts.

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